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P. 18

STREAMLINED ACQUISITION HANDBOOK

February 16, 1990

(NASA-TM-108133) STREAMLINED  
ACQUISITION HANDBOOK (NASA) 18 p

N72-14718

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NS/S2 0130189

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# Streamlined Acquisition Handbook

## Introduction

NASA has always placed great emphasis on the acquisition process, recognizing it as among its most important activities. A recent keystone effort reflective of that emphasis was the publication of a revised Source Evaluation Board Handbook, effective October 1988. This publication highlighted the need to intensely review the way we do business and to develop techniques which would enable us to do business smarter and faster without compromising the quality of our acquisition process.

This handbook is intended to facilitate the application of streamlined acquisition procedures. The development of these procedures has come at the direction of Mr. J. R. Thompson, Deputy Administrator, and reflects the efforts of an action group composed of Headquarters and center acquisition professionals. It is the intent to accomplish real change in the acquisition process as a result of this effort; I solicit your assistance in making this change happen.

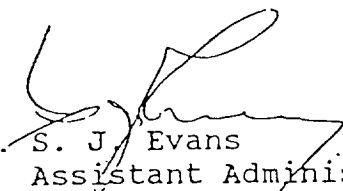
Application of the techniques in the Handbook is mandatory for all procurements over \$25M which utilize the SEB process. Acquisitions for which the procurement plan has not been formally approved as of receipt of this handbook are subject to the streamlining techniques herein. Waivers in very unusual circumstances may be granted by the undersigned. The application of these techniques to procurements not covered by the handbook is strongly encouraged where practicable.

One point became clear during the action group deliberations; key to the successful implementation of any streamlining approach is the development of a success oriented acquisition team committed to expeditious action and high quality throughout the acquisition process. For optimum beneficial effect, acquisition activities must be effectively coordinated and management must emphasize streamlining across the entire acquisition cycle. Emphasis on only the procurement work force and their activities will fail to achieve more than a small percentage of available efficiencies. The acquisition professionals supporting a given acquisition should be formed as a team as early as possible and should work together to determine which approaches best support the requirement at hand. Not all techniques may be applicable to every acquisition but most of them should be applicable.

This handbook consists of a description of the techniques developed by the action group along with information to assist in the planning and implementation of those techniques.

A deviation is hereby granted to use the alternate proposal evaluation and scoring methodology described in paragraph 1 of the Handbook when its use is formally endorsed by the Acquisition Strategy Meeting and documented in the minutes or addressed in the procurement plan. Authority is also granted to immediately implement the changes to the SEB Manual set forth in Attachments 3 and 4 to the handbook.

Questions with regard to this handbook should be directed to Mr. Tom Deback, NASA Headquarters (Code HS), FTS 453-2098.



S. J. Evans  
Assistant Administrator  
for Procurement

February 16, 1990

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An important part of streamlining the acquisition process is a commitment by the people involved in the process to accomplishing acquisition activities quickly and with high quality. Too often we continue to accomplish work "the same old way" without considering available alternatives which would require no changes to regulations, approvals from the Headquarters, or waivers of required practice. Similarly, we must be sensitive to schedule opportunities throughout the acquisition cycle, not just once the purchase request arrives at the procurement office. The following techniques have been identified as ways of reducing acquisition lead time while maintaining high quality in our acquisition process.

### 1. Acquisition Strategy Meetings/Pre-Agreements on Schedule

Acquisition Strategy Meetings (ASMs) are held at the Headquarters, usually prior to the point in time when a procurement plan would be submitted. They often greatly assist in surfacing and resolving issues both programmatic and procurement in nature which would otherwise arise and cause delay during review of the document at Headquarters. If an ASM is not held at Headquarters, an ASM should be held at center level for acquisitions above the Master Buy Plan threshold and significant acquisitions below the Master Buy Plan threshold. The formally written, coordinated and signed minutes of the ASM will serve as the formal procurement plan. Provided as Attachment 1 is a reprint of the Instruction covering ASMs. Care should be exercised to ensure that the mandatory procurement plan topics addressed in NFS 18-7.170, Procurement plan contents, are discussed at the ASM and clear decisions made.

While use of ASMs may streamline the acquisition process and help us expedite an acquisition schedule, the real key to maintaining an ambitious schedule is obtaining a commitment to that schedule from those involved. The purpose of establishing pre-agreements is to formalize an acquisition schedule and to obtain a commitment from all those involved to exercise all reasonable efforts to meet that schedule. Pre-agreements on schedule will be accomplished not later than the ASM; the schedule should establish major acquisition milestones across the acquisition cycle. Examples of appropriate milestones would be: establishment of the acquisition team, completion of the statement of work, submission of a complete procurement package (as defined by the center) to the procurement office, issuance of the Request for Proposals, receipt of proposals, completion of technical evaluations, source selection, and award of definitive contract. These are

significant milestones which should be established up front, adhered to, and tracked by management. We should seek to complete SEB activities, from the receipt of proposals to contract award, in not more than 120 days. Similarly, the milestones should fully reflect the team nature of the effort being undertaken, and the acquisition cycle across the board, not just the procurement portion of that cycle.

The ASM is also the ideal forum to discuss acquisition streamlining techniques which may not be applicable to every acquisition but may well be appropriate in particular cases. The following are some suggestions that should be considered; the nature of the procurement may dictate many more.

**Pre-Proposal Conferences:** Pre-Proposal Conferences are sometimes very valuable tools in communicating our requirements with industry. In other cases, they have little value but still require the time and resources needed to prepare for and conduct the conference. Careful consideration should be given to the value of a pre-proposal conference and they should be conducted only when their value is apparent.

**SEB Evaluation and Scoring:** An alternate method of evaluating and scoring proposals is available which can reduce the amount of time and resources required for proposal evaluation and selection when relatively few proposals are anticipated. The methodology dispenses with initial scoring. Proposals are initially reviewed to eliminate unacceptable proposals and determine strong and weak points and develop questions on acceptable proposals for written or oral discussions. Following discussions, "Best and Final Offers" are requested. Based on the "Best and Final Offers," proposals are re-examined and scored. Source Selection is then made on the basis of the scored proposals. (In the solicitation, the Government retains the right to use this alternate method or the normal method of evaluating proposals. Following receipt of proposals, a decision may be made to use the normal method if that is deemed more appropriate.)

The savings of this methodology accrue from not doing two complete evaluations of proposals. (Note: A deviation from the NASA FAR Supplement is required to implement this methodology; however, the introduction to this handbook provides a blanket deviation to utilize this method when it is recommended by the center or Headquarters ASM or addressed in the procurement plan.)

Formal Implementation Required: Application of Instruction for Acquisition Strategy Meetings. Management tracking of milestones.

## 2. Page limitations on solicitations and proposals

Page limitations on both the technical and contracting portions of the solicitation will reduce the complexity of solicitations and force all involved to clarify and crystallize their requirements. The technical and contracting personnel will mutually agree on the page limitations they will adhere to for their respective portions of the Request for Proposals. However, the page limitation for the contracting portion of the solicitation (all sections except for Section C, DESCRIPTION/SPECIFICATION/WORK STATEMENT) will not exceed 150 pages, and the page limitation for the technical portion will not exceed 200 pages. (Attachments to the solicitation will count as part of the section they would otherwise be in.)

Page limitations will also be established for contractor proposals. These page limitations shall be clearly established as firm limits, not as "guides" for proposal submission. In the past we have experienced difficulty in enforcing page limitations in proposals because we have not provided a means of enforcing those limits. We intend to remedy that problem. Offerors should be clearly advised within each solicitation that pages submitted in excess of the limitation will be returned to them and not considered in the evaluation. Should offerors submit proposals which exceed the established page limitations, the excess pages should be returned promptly to the offeror, with a cover letter citing the provision. No pages beyond the established maximum should be evaluated by the Source Evaluation Board. No information contained within the pages returned to the offeror should be used by the Source Evaluation Board during its evaluation. The page limitation will be agreed to between the contracting and technical personnel but will not exceed 500 pages (excluding the cost proposal).

Formal Implementation Required: Utilization of a draft solicitation provision developed and provided as Attachment 2.

## 3. Keep Source Selection Official Authority at lowest reasonable level

Source selection authority should be established at the lowest reasonable level within the Agency for a particular acquisition. Establishment at the lowest reasonable level should be accomplished at both the center and the Headquarters. Within the Headquarters, Code HS will be recommending the Source Selection Official level to the program office as part of the Master Buy Plan process. Master Buy Plan submissions from the centers should therefore include a recommendation on the level of the Source Selection Official. A shorter "chain of command" will signifi-

cantly enhance both communications with the SSO and the decision-making process.

Formal Implementation Required: None, however, the NASA A-109 instruction, NMI 7100.14A, is being revised and the requirement for the Administrator to automatically be the SSO on A-109 level actions is being eliminated. This action will facilitate retention of SSO authority at lower levels in the future.

#### 4. Limit evaluation subfactors and elements to "key swingers"

The way in which evaluation factors are addressed within each solicitation, particularly the Mission Suitability Factor, should be carefully reviewed to ensure that all data or information requested is clearly needed to support a source selection decision. In addition, subfactors and elements within the Mission Suitability Factor should be limited as much as possible. Extraneous information which is nice to have but which will not really be a deciding factor in a source selection should be eliminated as a proposal requirement from the solicitation. This effort to request only required information should be kept in mind when determining the size limitations to be placed on the solicitation and resultant proposals. Remember, everything we require an offeror to submit in a proposal must be evaluated by the Source Evaluation Board. The acquisition team should ensure the evaluation factors, the proposal preparation instructions, proposal page limitations, and any other requirements of the solicitation, clearly and consistently reflect the requirement to provide only information necessary for source selection. The number of subfactors under Mission Suitability will be no more than 4 and the number of elements will be no more than 8.

The other evaluation factors should also be limited to required factors and subfactors. For example, in cases where the anticipated offerors are well known to the center, Past Performance can be limited to a list of contract numbers and contact points to verify past performance.

Formal Implementation Required: None.

#### 5. Limit size of SEBs

The size of the SEB and support committees and panels should be limited to an essential cadre. Limiting the size of solicitations and proposals as indicated above should facilitate the use of fewer individuals on the SEB and support committees and panels. This should assist communications during the evaluation, enhance the impact of highly skilled evaluators, and significantly reduce the manpower required to support the SEB process. The combination of smaller RFPs, smaller proposals, fewer evaluation factors, and smaller support committees and panels should make source selection a much more cost effective process within the Agency.

However, it must be recognized that by limiting the size of proposals, and by limiting the size of the teams reviewing proposals, some of "nice to have" information, not really essential to the source selection process, will be unavailable to the Source Selection Official. This is part of the price we must pay in order to streamline the process. Source Selection Officials must understand that the amount of data will be limited and that SEBs for acquisitions accomplished under the streamlined approach will not be able to answer "what if" type questions as effectively as under source selections which have not been streamlined. We believe that, if properly structured and developed, a solicitation can provide for much smaller proposals, much smaller SEB teams, and still allow for source selection of the highest quality and integrity.

The Source Evaluation Board will be limited to a maximum of 7 individuals. The total of all evaluators (committees, panels, etc., excluding ex-officio members) will be limited to a maximum of 20 individuals.

Formal Implementation Required: None

#### 6. Solicitation Review Boards

Solicitations are generally reviewed at the center or Headquarters "serially", that is, it proceeds through a review cycle one step at a time until all those who must review and approve it have done so. The Solicitation Review Board is a meeting during which all those who have review and approval responsibilities come together and air their concerns. Individuals should be given a reasonable amount of time to review the document prior to the meeting. Upon the conclusion of the meeting, recommendations for changes are made and the solicitation is formally approved/disapproved. Not only does this method expedite the review and approval process, but it also encourages the synergism of a number of acquisition professionals discussing their concerns in one forum.

Although this technique is specifically recommended for solicitations, its use should be considered for other procurement documents which are normally "serially" reviewed such as procurement plans and prenegotiation positions.

Formal Implementation Required: None

#### 7. Use of oral presentations to SEB

One technique which has proved a significant time saver has been that of providing offerors the opportunity to brief the SEB on their proposals in order to assist the SEB in understanding the proposal and accelerate the review process. The procedure involves allowing offerors a block of time for briefing their proposal to the SEB, and for a subsequent question and answer

period. A typical briefing to the SEB would last one to two hours; no limitations are placed on the briefing materials or the nature of the presentation made by the offerors, but the time limitation for the presentation is strictly enforced. Following the presentation, the SEB conducts a question and answer period with the offeror, to ensure that they understand the nature and intent of the proposals. These presentations are not part of the discussion process which is conducted following evaluation of proposals and the results are not to be used as part of the evaluation and scoring process.

The format of this interaction between the SEB and the offerors should remain identical among offerors; i.e., the presentation opportunity and the question and answer period should occur in each case. The length of the presentation opportunity should be identical for each offeror to ensure equitable treatment of the offerors, but the question and answer period should be tailored to the circumstances peculiar to each offeror's proposal. Such oral presentations and interactive opportunities provide unique forums for the interchange of information which may prove of great benefit to the SEB in its subsequent deliberations. Solicitations which use this technique should clearly indicate the intent to use oral presentations, the ground rules under which the presentations will be made, and the time frame in which the presentations will be made. It should be made clear that hard copies of all charts used in any oral presentation will remain with the Government's SEB and may be used in the evaluation process; it should not, however, be required that there be any charts to accompany the offeror's presentation. Briefings should be scheduled and made shortly after the receipt of proposals. All offerors must be afforded the same opportunity to brief and the order of presentation should be such that no offeror enjoys an unfair time benefit as a result of the briefing process.

Formal Implementation Required: A draft change to the NASA SEB Handbook is provided as Attachment 3 to this part of the Handbook.

#### 8. Limit field pricing/audit support requirements as much as possible

Requests for field pricing/audit support should be tailored as much as possible to reduce the time required for the support. Whenever possible and appropriate, pricing/audit support should be limited to rates and factors checks, or otherwise limited to that information specifically required. We should be as specific and as limited as possible in our requests for such pricing/audit support in order to communicate clearly the type of information and support which will be of greatest value to the SEB in its deliberations.

Formal Implementation Required: A draft change to the NASA SEB Handbook is provided as Attachment 4.

## 9. Use "subject to" Headquarters Approvals

Too often acquisition documents submitted to the Headquarters for review are "held hostage" pending resolution of issues not germane to the documents. This behavior will cease. Frequently, the document could be approved with a caveat or placeholder language preventing release of the solicitation until the problem was properly resolved. This use of "subject to" language will allow communication to the centers of the issues identified during Headquarters review and will allow the centers to initiate action to correct problems and revise documents during the intervening time period.

Formal Implementation Required: None.

## 10. Limit consensus reviews at Headquarters

Custom within the Headquarters dictates the use of consensus reviews on procurement documents submitted for review and approval. Documents which are submitted from the field are coordinated through all of the primary codes within the Headquarters (examples: Code B, Code G, program office) on virtually every action, whether or not it is anticipated that any issues exist which involve that Code. This practice will cease. Instead, the Code B or Program Office processing the subject document will exercise more judgement in coordination activities. For example, if Code B has reviewed and coordinated on a Procurement Plan, there should be no need to review the RFP unless significant change has occurred.

Formal Implementation Required: None.

## 11. Expand the Use of NRA's

We currently utilize NASA Research Announcements very effectively for the acquisition of basic research. NRA's provide a means of obtaining a number of proposals under the auspices of competition and making multiple awards. Generally, the administrative cost of awarding these contracts and grants is considerably less than it would be if these procurements were handled on a one-by-one basis.

NRA's can also be used for applied research and we have not maximized their use in that area. Just as NRA's are currently used for basic research, serious consideration should be given to utilizing them for applied research to seek solutions to engineering problems for which there is no one single solution.

Formal Implementation Required: None

## 12. Greater Delegation

Most organizations have a tendency to require approvals of or concurrence on various documents and actions at fairly high levels. These approvals are normally instituted for excellent reasons but are rarely re-examined later to revalidate the requirement.

All approval and concurrence requirements should be examined and revalidated. Alternate methods should be considered such as providing information copies to organizations that have a need to access information but rarely if ever object to the proposed course of action.

Formal Implementation Required: None

## 13. Improve SEB Presentations

The SEB process, though governed by both law and regulation, is very much an art. There are many different philosophies with regard to proper SEB conduct and the presentation of SEB results. Generally, none of these philosophies is "wrong" or "right" and the NASA approach to date has been to encourage each center to develop independently its own SEB approaches so long as they remain within the framework of the SEB manual. We would not intend to alter this basic approach except in one way: the development of standardized presentation formats.

The effective presentation of SEB information at Headquarters has been hampered by the different presentation formats which have developed independently at center level. The effect has been to make the process of source selection more difficult, as a Headquarters level Source Selection Official may see many different methods of presenting SEB materials. Repeatedly, SEB members must make last minute changes to charts and presentations in order to provide information desired at the Headquarters level. Repeatedly, SEB presentations have been delayed while questions from an SSO prompted by differences in presentation formats have been explained.

Code H will develop standardized SEB presentation formats and provide them to the centers. This is to be accomplished in an expeditious manner.

Formal Implementation Required: Standardized SEB presentation formats to be issued by Code H.

#### 14. Enhance SEB Membership

Despite the obvious importance of SEB activities, participation on an SEB is often actively avoided whenever possible by much of the work force.

The reasons for this avoidance behavior are simple and rather logical: First, membership on an SEB is viewed as being "off the main track" and therefore detrimental to career advancement. This perception is exacerbated by a yearly performance evaluation system which fails to address SEB participation. Second, participation on an SEB is often considered to be an additional duty, additive to existing workload because management does not reassign existing workload to other personnel. Participants find themselves facing the double frustration of working much harder but suffering reduced yearly performance evaluations based only on performance of the regularly assigned workload. Third, although SEB activities are essential, it is extremely rare for knowledge of or participation in SEBs to be considered when the time comes for promotion. This adds to a common perception that serving on an SEB hurts rather than enhances one's opportunities for promotion.

To permit the SEB to function optimally, it is recommended that sequestering the SEB be strongly considered and implemented if feasible.

The Deputy Administrator will take the lead in instituting a change to the existing NASA culture; a change which will enhance the desirability of SEB membership. The following changes will be implemented as soon as possible and supported to the maximum:

First, the NASA Administrator and Deputy Administrator will establish the proper management climate by demonstrating personal support for recognition of personnel involved in the SEB process.

Second, the Deputy Administrator will require that performance appraisal forms be modified now for all personnel serving on SEBs to require that performance evaluations take into account the quality of performance on that SEB.

Third, the Deputy Administrator will require that managers at all levels properly support SEB activities through appropriate management action, such as the redistribution of existing workload among remaining personnel resources. Yearly performance evaluations of managers whose personnel are SEB members should reflect the appropriateness of their management actions in support of that SEB.

Fourth, the Deputy Administrator will implement a special yearly award for outstanding SEB performance which will highlight outstanding SEB members. Associated with that award should be a significant monetary award pool. It is a common

experience when serving on an SEB to work over weekends, through holidays, and late into the night, often while TDY and separated from family and friends. A monetary award for extraordinary performance would allow the SEB members to perceive of their efforts as important and appreciated.

Finally, the Deputy Administrator will take action to require when appropriate that all vacancy announcements at the GS/GM-15 level or above include consideration of SEB experience as an evaluation factor for selection of candidates. This will enhance the perception that serving on an SEB is not a dead end assignment but rather an important job, highly valued by the Agency, which increases promotion potential.

Formal Implementation Required: Formal establishment of changes to performance appraisal requirements, award pool for SEB members, and consideration of SEB membership in vacancy announcements.

#### 15. Utilize the PAD Process

NMI 7121.5, Program Approval Document, establishes a requirement for PADs on major programs listed in the NMI. This direction has not been fully implemented and therefore is not as effective as it could be in establishing major program parameters. The PAD process is to be re-vitalized to ensure that agency-wide agreement exists on major programs and that the centers are provided direction from Headquarters.

To ensure that the PAD process is fully implemented, the status of the PADs required by the NMI will be reported as part of the GMSR. Further, the PADs will be updated to reflect changed program conditions and those changes will also be reported.

Although the PAD process is an important step in formalizing requirements, resources, and responsibilities, the process does not provide the direction needed at the center level. Therefore, the PAD process will be revised and expanded to cover a broader range of programs and to provide a formal, consistent method of providing direction to the centers.

Formal Implementation Required: Amend NMI 7121.5 to reflect new PAD requirements and formalize requirements for direction provided the centers.

#### 16. Formal SEB Training

Although circumstances vary somewhat from center to center, many of our most experienced and competent SEB Chairpersons are, or soon will be, eligible for retirement. These individuals are a valuable resource of lessons learned and varied experience; to the extent the next few years may see many of them leave Government

service, NASA stands to lose the benefits of their invaluable cumulative knowledge.

At the present time, the training of SEB personnel is often a process of "learning by doing" involving much trial and error. Our discussions with experienced SEB participants have elicited expressions of concern that much time and effort is spent learning the "mechanics" of how to efficiently structure, manage, and operate an SEB organization. While NASA has an SEB manual, the newly revised NHB 5103.6B which is clearly one of the best such documents Government-wide, we do not have any NASA-wide training specifically directed toward SEB members and Chair-persons.

Formal NASA SEB training will be developed to serve as a supplement to any existing center-unique training. A training course of approximately five days duration will be developed; Wallops is tentatively identified as the training site. The minimum training will address the "how to" of SEB management and operation. Such issues as how to organize the SEB, simple ground rules of operation, how to structure the decision making process and how to resolve disagreements within the SEB environment will provide SEB members with valuable training.

Formal Implementation Required: None

STREAMLINED ACQUISITION

ACQUISITION STRATEGY MEETINGS

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### Page Limitation Clause

The following clause should be used substantially as written to implement the proposal page limitations:

### Proposal Page Limitations

The following page limitations are established for each portion of the proposal submitted in response to this solicitation:

<u>Proposal Section</u> (List each volume or section)	<u>Page Limit</u> Limit
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Each "page" is one sheet, 8 1/2" x 11", with at least one inch margins on all sides, using PICA size type or larger. Multiple pages or foldouts count as an equivalent number of 8 1/2" x 11" pages.

The Cost Proposal is not page limited. However, the Cost Proposal is to be strictly limited to cost and price information. Information which can be construed as belonging in one of the other volumes will be so construed and counted against that volume's page limitation.

PAGES SUBMITTED IN EXCESS OF THE PAGE LIMITS ENUMERATED ABOVE WILL NOT BE EVALUATED BUT WILL BE RETURNED TO THE OFFEROR. THE PAGE LIMITATIONS APPLY TO BOTH THE INITIAL PROPOSAL AND THE BEST AND FINAL OFFER (IF APPLICABLE).

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### Oral Presentations

Add the following paragraph to the NHB 5103.6B, Source Evaluation Board Handbook:

404. 2. o. Briefings by the offerors to the SEB after the receipt of proposals should be considered as a means to expedite the evaluation and provide insight into the proposals. A typical briefing to the SEB would last one to two hours; no limitations are placed on the briefing materials or the nature of the presentation made by the offerors, but the time limitation for the presentation is strictly enforced. Following the presentation, the SEB conducts a question and answer period with the offeror. The format of this interaction between the SEB and the offerors should remain identical among offerors but the time limitations need not be identical as in the case of the briefings. Such oral presentations and interactive opportunities provide unique forums for the interchange of information which may prove of great benefit to the SEB in its subsequent deliberations. Solicitations which use this technique should clearly indicate the intent to use oral presentations, the ground rules under which the presentations will be made, and the time frame in which the presentations will be made. It should be made clear that hard copies of all charts used in any oral presentation will remain with the Government's SEB and may be used in the evaluation process; it should not, however, be required that there be any charts to accompany the offeror's presentation. Briefings should be scheduled and made shortly after the receipt of proposals. All offerors must be afforded the same opportunity to brief and the order of presentation should be such that no offeror enjoys an unfair time benefit as a result of the briefing process.

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### Pricing Support

Add the following paragraph to the NHB 5103.6B, Source Evaluation Board Handbook:

404. 4. e. Requests for field pricing/audit support should be tailored to reduce the time required for the support and still enable the SEB to properly review proposals. Whenever possible and appropriate, pricing/audit support should be limited to rates and factors checks, or otherwise limited to that information specifically required for the SEB deliberation process.